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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Lawrence L. Lake

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MICHAEL BEST & FRIEDRICH LLP

Two Prudential Plaza

180 North Stetson Avenue, Suite 2000

CHICAGO, IL 60601

EXAMINER

KESACK, DANIEL

ART UNIT

PAPER NUMBER

3691

DATE MAILED: 11/03/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/986,218

Applicant(s)

LAKE ET AL.

Examiner

Dan Kesack

Art Unit

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on 22 October 2001.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-41 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-41 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This application has been reviewed. Original claims 1-41 are currently pending.
The rejections are as stated below.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

2. Claim 11 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are the method by which, in step (a), a customer's identity is positively established by merely *submitting* customer information to an identification agent. There is a gap in the claim language between submitting the customer information, and positively establishing an identity.
3. Claims 1, 4, 11, 27, and 41 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Regarding claims 11 and 27, the claim language recites the phrase “may be”, as in a step that *may* be performed. As such, the claims are unclear as to whether the recited step is or is not performed, and the claims are therefore indefinite.

Regarding claims 1 and 41, the claims recite “temporarily binding the identity of an individual... to that of the credit card holder.” It is unclear from the claim language how one would bind an identity of an individual to a credit card holder, and specifically what steps must be performed in order to meet the claim language of “binding”.

Claim 4 recites the limitation “determining whether the personal identification number entered by the cardholder matches...” in the 2nd line of the claim. There is insufficient antecedent basis for this limitation in the claim because no claim from which claim 4 depends recites a cardholder entering a personal identification number.

Claim Rejections - 35 USC § 102

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States

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only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

5. Claims 1, 6-10, 11, 19-27, and 39-41 are rejected under 35 U.S.C. 102(e) as being anticipated by Kausik, U.S. Patent No. 6,895,391.

Examiner notes that U.S. Patent Application No. 09/196,430, now U.S. Patent No. 6,263,446, also by Kausik, is incorporated by reference (column 5 line 27). Within this Office Action, Kausik citations are assumed to be from the '391 patent, unless otherwise noted.

Claims 1, 7, 27, 40, 41, Kausik discloses a system and method for secure authenticated payment on a computer network, comprising:

collecting card information and identification information at a designated identifier, and transmitting the information to an authentication server connected to a computer network, performing an identification transaction wherein the authentication server determines whether the cardholder is authorized to use the credit card (column 3 line 58 – column 4 line 13);

if the cardholder is authorized, issuing a code binding the identity of an individual possessing the code, credit card information, and identification information to that of the cardholder who presented the credit card to the identifier (column 4 lines 14-21, 55-60);

creating a record of the identification transaction including the credit card information, the code, and the identity of the credit cardholder on the authentication server (column 4 lines 36-65 and column 5 lines 18-30);

entering credit card information and the code into the cardholder's computer and sending the credit card information and code from the cardholder's computer to the authentication server over a computer network and comparing on the authentication server the credit card information and code stored in the record of the identification transaction ('446: column 3 line 43 – column 4 line 34);

transmitting a digital certificate from the authentication server to the cardholder's computer when the card information and the code submitted from the cardholder's computer match the card information and code stored in the record of the identification transaction on the authentication server, and the cardholder entering a purchase transaction with a merchant over a computer network from the cardholder's computer to the merchant server by offering the credit card information and digital certificate as payment (column 5 line 53 – column 6 line 11); and,

the merchant web server validating the digital certificate from the authentication web server before authorizing the credit card purchase transaction (column 6 lines 13-50).

Kausik further teaches a system comprising means for accomplishing the above method steps, including an identity verification agent, a customer computer, a merchant server, and an authentication server, all being interconnected over a computer network (figure 1);

Claim 6, Kausik teaches transmitting biometric data collected as part of the identification information, and storing said data with the record of the proxy transaction ('446: column 2 lines 20-28).

Claims 8-10, 39, Kausik teaches the cardholder transmitting a digital certificate to a merchant, as described above, wherein the certificate is encoded and encrypted with cardholder identification information, which may include biometric data, wherein the merchant verifies that the data matches the data obtained during the identification transaction. Kausik further teaches the biometric data comprises a fingerprint or a retinal scan (column 6 lines 23-50 and '446: column 2 lines 22-28).

Claim 11, 22, 26, Kausik teaches a secure payment method comprising:
performing a proxy card-present transaction where the customer's identity is positively established by submitting the customer's credit card information and biometric information to an identification agent (column 3 line 58 – column 4 line 13, and '446: column 2 lines 23-30);

providing a unique code to the customer and storing a record of the proxy transaction on database stored in an authentication server (column 4 lines 14-21, 55-60);

contacting the authentication server from the customer's computer over the network and submitting the unique code and the customer's credit card information to

the authentication server for comparison with the record of the proxy transaction stored in an authentication server database ('446: column 3 line 43 – column 4 line 34);

comparing the credit card information and the unique code and, if they match issuing a secure pay digital certificate to the customer and storing the secure pay digital certificate on the customer's computer, entering transaction data with the merchant over the network and tendering the credit card as payment, and the merchant checking for the presence of the secure pay digital certificate on the customer's computer and verifying that the certificate and the credit card information are valid (column 5 line 53 – column 6 line 50);

Claims 19, 20, Kausik teaches encoding and transmitting a PKI digital certificate to a portable token, or to a customer's computer (column 4 lines 25-47).

Claim 21, Kausik teaches redirecting the transaction to the authentication web server over a computer network and the authentication server determining whether the certificate and the credit card information submitted by the customer are valid (column 6 lines 13-50).

Claim 23, Kausik teaches multiple methods of verifying the identity of a credit card user in a transaction, which is inherently monitoring credit card usage for fraudulent activity.

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Claims 24, 25, Kausik teaches after the merchant verifies the validity of the secure pay digital certificate and credit card information tendered by the customer, transmitting any of the customer's identification information from the authentication server to the merchant, which may include the credit card information or biometric information (column 6 lines 44-50).

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

8. Claims 3-5, 18, and 30-33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kausik.

Kausik fails to teach identity verification comprising a human attendant at a credit card point-of-sale terminal.

Official notice is taken that verifying the identity of a credit cardholder upon presenting a credit card for use is old and well known in the art. Furthermore, techniques used to verify the identity of a credit cardholder, upon presenting a credit card to a human agent, including viewing a picture identification of a customer, verifying a PIN number at the point-of-sale terminal, and comparing a signature made in the presence of a human attendant with a signature on the credit card, are all well known in the art. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Kausik to include the identity verification methods in order to prevent fraudulent use of a credit card, and false identification of a credit cardholder. Furthermore, Kausik teaches the verification of payment information can be completed using any means available for verification (column 4 lines 7-13) and authorization requests are made using conventional authorization request techniques, and transaction processing techniques (column 6 lines 35-45), and verification at a point of sale terminal by a human agent is regarded as a conventional authorization technique in the art.

Claim 4, Kausik teaches determining whether the personal identification number entered by the cardholder matches a personal identification number previously assigned to the card (column 3 line 66).

9. Claims 2, 12-17, 28, 29, 34-38 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kausik, as applied above, and further in view of Sime, U.S. Patent No. 5,386,104.

Claims 2, 12-17, 28, 29, 34, 36-38, Kausik fails to teach the identification transaction involving an automated teller machine.

Sime teaches a method for identifying a customer at an ATM machine, including presenting a card at an ATM machine such that the ATM machine obtains account information. It is old and well known in the art that credit cards, especially cards used in ATM machines, have data stored on magnetically encoded strips. Furthermore, Sime teaches that the ATM machine verifies that the PIN number entered by the credit cardholder matches a PIN number previously assigned to the card (column 2 lines 12-44). Sime goes on to teach the ATM unit having biometric inputs for verifying a cardholder, said biometric inputs including fingerprint scanning and retinal scanning (column 4 lines 19-27). I would have been obvious to modify the teachings of Kausik to include obtaining verifying a customer identity at an ATM because all the customer information required to be input by Kausik is contained on the card presented at the ATM, and swiping a card is a time saving and error reducing technique for inputting such information. As cited above, Kausik teaches obtaining biometric data, and transmitting this data to the merchant, encoded within the digital certificate. Kausik teaches the digital certificate is then verified with data previously stored.

Claim 35, Kausik teaches authenticating a user by comparing a stored biometric data of a cardholder to the biometric data of the person requesting authorization ('446: column 6 lines 52-67), which would inherently include a means for obtaining such biometric data at the point of authorization.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dan Kesack whose telephone number is 571-272-5882. The examiner can normally be reached on M-F, 9:00am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



HANI M. KAZIMI
PRIMARY EXAMINER